

Message Text

LIMITED OFFICIAL USE

PAGE 01 MILAN 00921 151057Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AF-10 INT-05 CIAE-00 INR-10
NSAE-00 COME-00 TRSE-00 OMB-01 GSA-02 /049 W
-----071471 160440Z /15
R 150700Z JUN 78
FM AMCONSUL MILAN
TO AMEMBASSY ROME
INFO SECSTATE WASHDC 6042

LIMITED OFFICIAL USE MILAN 0921

EO 11652: NA
TAGS: EMIN IT
SUBJECT: COBALT

REF: A) ROME 10841; B) STATE 145925

1. WE HAVE TALKED OVER LAST SEVERAL DAYS WITH ASSOMET (NON-FERROUS METALS TRADE ASSOCIATION), ASSIDER (IRON AND STEEL INDUSTRY TRADE ASSOCIATION), FALCK STEEL (ITALY'S LARGEST PRIVATE STEEL MANUFACTURERS), AND LEVI MINERALI-METALI (IMPORT-EXPORT COMPANY) WHICH CLAIMS TO HAVE VIRTUAL MONOPOLY ON ALL ZAIRE-ORIGIN COBALT IMPORTED INTO ITALY). BOTH ASSIDER AND FALCK STATED THEY WERE NOT KNOWLEDGEABLE ON SUBJECT OF COBALT BUT OTHER TWO PROVIDED INFORMATION WHICH SUPPLEMENTS THAT CONTAINED IN REF A.

2. ASSOMET GAVE US FOLLOWING IMPORT-EXPORT FIGURES REPRESENTING ALL TWELVE MONTHS OF 1977.

UNPROCESSED COBALT	KG.	000 LIRE
IMPORTS	226613	2752152
FRANCE	41008	531590
BELGIUM LUXEMBOURG	110000	1278639
LOW COUNTRIES	10000	103030
WEST GERMANY	4942	152296

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MILAN 00921 151057Z

UK	49676	489606
FINLAND	1307	20490
SWITZERLAND	1530	37083
ZAIRE	5000	58897
UNITED STATES	3128	79347
CANADA	8	271
JAPAN	14	903

EXPORTS	17228	46284
FRANCE	16993	RPWEQ
BELGIUM LUXEMBOURG	30	1413
GERMANY	130	2588
SPAIN	75	2052

PROCESSED COBALT

IMPORTS	79963	1264325
FRANCE	11581	279056
BELGIUM LUXEMBOURG	23412	28.69
WEST GERMANY	4113	22841
UK	33428	504718
DENMARK	100	1903
SWEDEN	195	6142
SWITZERLAND	1483	17228
AUSTRIA	5	199
UNITED STATES	5646	164169

EXPORTS	11780	88237
FRANCE	7771	44640
WEST GERMANY	2467	14978
UK	536	13289
SPAIN	750	10530
TURKEY	55	850
UNITED STATES	131	3110

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MILAN 00921 151057Z

OTHER	70	840
-------	----	-----

3. CONSUMPTION. LEVI TOLD US THAT, SINCE COBALT STOCKS IN ITALY ARE VERY LIMITED, ITALIAN CONSUMPTION CAN BE ESTIMATED BY SUBTRACTING EXPORTS FROM IMPORTS. USING ABOVE FIGURES, ITALY'S ESTIMATED COBALT CONSUMPTION FOR 1977 IS ABOUT 28 METRIC TONS.

4. LEVI CLAIMS THAT 50 PERCENT OF ALL 1977 COBALT IMPORTS INTO ITALY WERE ZAIRE-ORIGIN COBALT (MOSTLY THROUGH BELGIUM, LUXEMBURG AND UK WHICH LEVI (AND LEVI ALONE) SUPPLIED. CORRESPONDING PERCENTAGES FOR 1976 AND 1975, SAID LEVI, WERE 56.3 PERCENT AND 36 PERCENT, RESPECTIVELY.

5. PRICES. ALTHOUGH LEVI SAID IT WAS CONCERNED OVER RECENT INCREASES IN COBALT PRICES AND OVER SITUATION IN ZAIRE, NEITHER ITALIAN GOVERNMENT NOR EC APPEARED TO BE DOING ANYTHING ABOUT MATTER. COBALT TRADING IN ITALY WAS WHOLLY IN PRIVATE HANDS, GOI HAD NO STOCKPILING POLICY, AND PRICES WERE DETERMINED BY LONDON MARKET FOR ALL EC AREA. LEVI APPEARED TO FEEL WAS ALONE IN ITS CONCERN THAT SOMETHING BE DONE TO CONTAIN PRICES.

6. COBALT UTILIZATION. LEVI TOLD US 70 PERCENT OF TOTAL ITALIAN COBALT CONSUMPTION GOES TO MAKE SPECIAL STEELS AND NON-FERROUS METAL FOUNDRIES; 10 PERCENT TO MAKE SPECIAL TOOLS; 10 PERCENT FOR ALLOYS; AND 10 PERCENT FOR INDUSTRIAL MAGNETS AND CERTAIN CHEMICALS. COBALT DERIVATIONS, IN ADDITION, ARE USED IN CERAMICS, DYES, GLASS, AND PETRO-CHEMICALS.

7. PROJECTED CONSUMPTION FOR 1978. ALTHOUGH OUR LEVI CONTACT WAS AT FIRST WILLING TO GIVE US COMPANY'S ESTIMATE ON PROJECTED 1978 COBALT CONSUMPTION IN ITALY, SHE WAS APPARENTLY LATER DISCOURAGED BY HER BOSS FROM DOING SO AND WE WERE ABLE TO GET NOTHING ON THIS.FINA

LIMITED OFFICIAL USE

NNNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COBALT, PRODUCTION, TRADE, DATA, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 15 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MILAN00921
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780366-0308
Format: TEL
From: MILAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780653/aaaabtuj.tel
Line Count: 126
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8839e287-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 ROME 10841, 78 STATE 145925
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2330807
Secure: OPEN
Status: NATIVE
Subject: COBALT
TAGS: EMIN, IT
To: ROME
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8839e287-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014